Privatisation of UTI

*34. SHRI V. V. RAGHAVAN:
SHRI NAGENDRA NATH OJHA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a proposal to privatise the Unit Trust of India (UTI); and

(b) if so, the detail thereof and the steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The Corporate Positioning committee constituted by Unit Trust of India (UTI) under the chairmanship of Shri Y. H. Malegam in July, 2000 has submitted its report to the UTI in October, 2001. The committee has recommended, *inter-alia*, that the stucture of UTI should be in line with SEBI (Mutual Fund) Regulations. Accordingly, there would be (i) a sponsor, (ii) a Trustee Company, and (iii) an Asset Management Company.

The sponsor should be a sponsoring company which could be owned upto 40% by the sponsoring institutions (*i.e.*, the institutions which presently hold the initial capaital) and 60% by a strategic partner. The UTI should convert itself into an AMC which could be owned upto 40% by the sponsoring company and 60% by the public.

The Board of Trustees of the UTI have in its meeting held on 30th October, 2001 decided to make the report public to elicit the views of all stake hodlers.

Production of depositors' interests in Krushi Bank of Andhra Pradesh

*35. DR. Y. LAKSHMI PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Andhra Pradesh has refused to stand guarantee for funds pumped in by bankers in revival of Krushi Bank; and

(b) if so, the manner in which investors will be compensated or their interest watched?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Reserve Bank of India (RBI) has reported that there was no proposal to revive the Krushi Co-operative Urban Bank Ltd.,